



Commonwealth of Virginia – Office of the Comptroller

Comptroller's Directive 3-05:

Required Implementation of Agency Risk Management and Internal Control Standards

DRAFT

Issuance Date. October 31, 2005.

Applicability. This directive applies to all state officers, departments, boards, commissions, agencies, and penal, educational, and eleemosynary institutions maintained in whole or in part by the Commonwealth (hereafter referred to as "agencies").

Authority. Code of Virginia §§ 2.2-800B and 2.2-803.

Policy. Compliance with this directive and the related standards (entitled *Agency Risk Management and Internal Control Standards*) is mandatory for all Executive Branch agencies. Compliance by all legislative, judicial, and independent agencies is encouraged.

Effective Date. Each agency must publish a comprehensive implementation plan no later than June 30, 2006. This directive's requirements must be met in full by June 30, 2007.

Actions Required. In accordance with the above policy, each agency must plan and take systematic, proactive measures to (a) plan, develop, and implement a comprehensive and cost-effective risk management program to support its performance management program; (b) assess the adequacy of internal controls in all agency services, operations, and activities; (c) identify needed improvements; (d) take corresponding preventative and corrective actions; and (e) report annually on internal control. These steps should be integrated with the development, implementation, and monitoring of strategic plans, with specific links from each service objective in strategic plans to appropriate risk responses and control activities.

Inquiries. Further information concerning this directive may be obtained from the Director of General Accounting, Office of the Comptroller (804-225-2244 or armics@doa.virginia.gov).

Copies. One printed copy of this directive and related standards and tools will be provided to the head of each agency identified by number and name in the 2005 Appropriation Act. Additional copies may be downloaded from the Department of Accounts Internet site at www.doa.virginia.gov/armics/armics.htm.